

City of Eau Claire

City Council

Shared Services Committee

Final Report

March 10, 2006

Shared Services Committee
Council Member Ray Hughes, Chair
Council Member Hal Davis
Council Member Dave Duax

Linda DesForge
Mike Huggins

Administrative Secretary
Director of Community Development/
Assistant City Manager

SHARED SERVICES REPORT

Summary of Findings and Recommendations

SHARED SERVICES COMMITTEE FINDINGS:

- a. Area local governments have a long history of shared services.
- b. Success builds success.
- c. City departments engage in multi-level shared services.
- d. Visible support by elected leaders is critical.
- e. Local area governments are genuinely interested in sharing services.
- f. Future trends will continue to demand more effective delivery of public services.
- g. A range of opportunities exists for expanded shared services.
- h. Success requires customized strategies.
- i. Shared services opportunities are fluid.
- j. Building successful partnerships requires time and resources.
- k. Shared services must be measured and evaluated.

SHARED SERVICES COMMITTEE RECOMMENDATIONS:

- 1. Establish a City Council priority of expanding intergovernmental shared services where warranted and feasible to do so.
- 2. Establish a policy of doing business as an organization in a way that builds effective long-term working relationships with other government organizations and jurisdictions.
- 3. Continue the Shared Services Committee through March 2008.
- 4. Establish in conjunction with Eau Claire County a Joint Commission on Shared Services Initiatives.

EAU CLAIRE CITY COUNCIL SHARED SERVICES COMMITTEE REPORT

“...the local government landscape is changing. The pace and quality of change in government in the 21st century will be unprecedented. Over the next 10 to 15 years, unparalleled changes in the operating environments of public sector organizations will evoke broad public debate about the fundamental purposes and structure of local governments...These forces are creating a permanent imbalance in the mix of services, citizen expectations, and fiscal resources of local governments. This imbalance is unlikely to be resolved by future increases in local tax revenues, nor by state or federal revenues, nor by a growing economy, nor by working harder or faster at doing the same things the same way. In the future, local governments will be compelled to consider substantive changes to their own organizational structure, as well as to their patterns of relationships with other jurisdictions. At a minimum, there will be a significant realignment of many local government organizations to provide a much greater level of governmental cooperation, shared services, and consolidation.”

-Eau Claire Comprehensive Plan, September 2005

I. BACKGROUND

City Council’s Charge to the Shared Services Committee

On June 28, 2005, the Eau Claire City Council approved a resolution establishing the Eau Claire City Council Shared Services Committee, and charged the Committee with “...*studying the services provided by the City of Eau Claire, assessing the short and long-term opportunities for shared services and service consolidation among area local governments and organizations, and identifying the service areas where the City may have the greatest opportunity for service sharing arrangements with other government organizations.*” The City Council further directed that the Committee’s study include:

- “A review of shared services initiatives of comparable communities;
- Discussion with City Department Directors of shared service opportunities;
- Discussion with elected officials and designated representatives of area governments regarding their interest in shared service arrangements with the City of Eau Claire;
- An assessment of the overall opportunities and obstacles to expanded shared services; and
- Recommendations to the City Council for implementing a long-term shared services strategy, including the recommended organizational structure for the City Council’s role.”

Council Members Hal Davis, David Duax, and Ray Hughes were appointed to the Committee, with Council Member Hughes serving as chair.

In its initial meeting, the Committee emphasized that their fundamental concern was to find ways to continue to provide the very best services to the taxpayers and residents of the City of Eau Claire. Given the expenditure limits being imposed by the state, local governments in Wisconsin, including the City of Eau Claire, will continue to be confronted with difficult choices about which public services to reduce or cut in order to meet budget constraints. Consequently, it is only prudent that the City consider alternative ways of providing services through sharing with other governments before reducing services traditionally received by City residents.

The Committee's consistent theme in subsequent meetings with City staff as well as officials of other governments has continued to emphasize the importance of providing the highest quality and most efficient and cost-effective delivery of services to City residents, as well as addressing prospective budget issues.

The Committee identified seven major tasks to be completed as part of the study:

1. Develop a working definition of shared services;
2. Review other studies and community initiatives regarding shared services;
3. Discuss shared service opportunities with City Department Directors;
4. Discuss opportunities for shared service partnerships with the City with elected officials and representatives of area governments;
5. Identify potential new or expanded shared services;
6. Assess potential challenges and obstacles to expanded shared services partnerships; and
7. Prepare a written report of Committee findings and recommendations.

Summary of Shared Services Committee Activities

The Shared Services Committee held its first meeting on July 1, 2005. Through its final meeting on March 6, the Committee met for over 46 hours and conducted 24 public meetings, including seven meetings with City Department Directors and two joint meetings with the Eau Claire County Select Committee on Restructuring County Services. A summary of Committee meetings is provided in Appendix B.

The meetings with Department Directors included staff overviews on core departmental operational activities and the general allocation of employee resources within the departments. Using the Committee's classification of 12 types of shared services, senior managers also provided a description of existing shared service strategies being pursued by departments, as well a list of future shared services that might be possible.

In addition to meeting with Eau Claire County representatives, the Committee provided background information about shared services to other local governments, including the City of Altoona, City of Chippewa Falls, and the Eau Claire Area School District. Individual members of the Committee also had informal contacts with officials of area jurisdictions about shared services and potential interest in partnering with the City in future shared service activities. Due to time constraints, the Committee was unable to schedule joint meetings with any organizations other than Eau Claire County.

As part of its review of shared services, the Committee also reviewed selected studies and reports about intergovernmental cooperation and the shared services initiatives of other communities, principally in Wisconsin and Minnesota. A list of the studies and reports reviewed by the Committee is provided in Appendix C.

II. DEFINITION OF SHARED SERVICES

Intergovernmental Shared Services

Based on its review of shared services studies and reports, the Committee developed a working definition of "intergovernmental shared services" as *the activities of two or more jurisdictions working together to provide mutually desired public services*. The Committee viewed shared services conceptually as

tending to occur along a continuum of increasing intensity and formality that includes four broad bands of shared activity:

- a. **Cooperation:** A short-term informal relationship that exists without any clearly defined shared mission, structure, or planning effort;
- b. **Coordination:** A more formal relationship distinguished by mutual understanding of separate missions, focusing on longer-term interaction around a specific effort or program, and requiring explicit planning for some degree of formal division of labor;
- c. **Collaboration:** A mutually beneficial, well-defined relationship designed to achieve results that cannot be achieved alone, and marked by a more durable and pervasive relationship in which participating organizations share a commitment to a common mission and to creating shared organizational systems or structures; and
- d. **Consolidation:** A relationship in which the permanent responsibility and authority to act is formally placed in one organization, either through the merging of two or more individual organizations, or the ceding by one organization to another of all authority to provide services.

Figure 1 illustrates the continuum and contrasts significant distinctions in relationships, structure, communication, and accountability among the four levels of shared services.

Figure 1. CONTINUUM OF SHARED SERVICES STRATEGIES			
Cooperation →	Coordination →	Collaboration →	Consolidation
<ul style="list-style-type: none"> • Informal relationships • Each organization functions separately • Individual missions/goals not taken into account • No commonly defined mission, structure, or effort • Individually retained resources & authority • Information conveyed as needed • Interaction as needed, but may last indefinitely 	<ul style="list-style-type: none"> • More formal relationships • Review and adjust individual missions for compatibility • Organizations take on new joint roles, but function separately • Clear communication channels established • Some sharing of leadership/control • Some shared risk and mutually acknowledged rewards • Regular interaction for specific project or task of definite length 	<ul style="list-style-type: none"> • More durable, well-defined relationship • Mutual commitment to new joint structure with common mission • Significant communication and planning on many levels • Organizations exercise joint authority and decision-making over operations and budget • Shared responsibility; mutual authority & accountability • Pooled resources for longer-term effort • Organizations share products & rewards 	<ul style="list-style-type: none"> • Unifies government organizations by dissolving existing arrangements and creating a single unified entity • Dissolves pre-existing organizational structures • Creates single organization unified in purpose, effect, administration, and service area • Unifies decision-making about the provision and production of public services

Twelve Types of Shared Services Strategies

Using the four broad categories of shared services, the Committee distinguished 12 types of potential shared services strategies or organizational partnerships, as shown in Figure 2. The Committee found these distinctions to be helpful in framing its discussions with City Department Directors and with Eau Claire County.

Figure 2. TYPES OF SHARED SERVICES STRATEGIES

Cooperation	Coordination	Collaboration	Consolidation
<ul style="list-style-type: none"> • Informal relationships • Each organization functions separately • Individual missions/goals not taken into account • No commonly defined mission, structure, or effort • Individually retained resources & authority • Information conveyed as needed • Interaction as needed, but may last indefinitely 	<ul style="list-style-type: none"> • More formal relationships • Review and adjust individual missions for compatibility • Organizations take on new joint roles, but function separately • Clear communication channels established • Some sharing of leadership/control • Some shared risk and mutually acknowledged rewards • Regular interaction for specific project or task of definite length 	<ul style="list-style-type: none"> • More durable, well-defined relationship • Mutual commitment to new joint structure with common mission • Significant communication and planning on many levels • Organizations exercise joint authority and decision-making over operations and budget • Shared responsibility; mutual authority & accountability • Pooled resources for longer-term effort • Organizations share products & rewards 	<ul style="list-style-type: none"> • Unifies government organizations by dissolving existing arrangements and creating a single unified entity • Dissolves pre-existing organizational structures • Creates single organization unified in purpose, effect, administration, and service area • Unifies decision-making about the provision and production of public services
<u>3. Contribute Resources</u> Organizations provide resources to assist in the accomplishment of the projects or efforts of other organizations.	<u>6. Reconcile Program Activities</u> Organizations adjust and reconcile variability in the implementation of existing programs on an on-going basis to improve the service delivery of each separate program.	<u>9. Create Shared Structure</u> Organizations establish a joint department or organization with distinct goals and mission, shared budget, and shared management oversight.	<u>12. Combine Organizations</u> Two or more separate organizations combine their political and corporate functions to create an integrated organization operating under a new government charter.
<u>2. Promote Other Organizations</u> Organizations provide information about the programs and activities of other organizations.	<u>5. Share Costs</u> Organizations using the same good or service share in its cost.	<u>8. Operate Joint Program</u> Organizations create and operate a new service delivery program with shared responsibility, accountability, resources, risks, and rewards.	<u>11. Adjust Boundaries</u> Service provision is unified under one government through expansion of the government's statutory service or jurisdictional boundaries.
<u>1. Share Information</u> Organizations share information on an informal basis about their respective programs and activities.	<u>4. Produce Joint Efforts</u> Organizations work inter-dependently for a finite, short-term period to produce a specific event or achieve a specific project.	<u>7. Plan Collectively</u> Organizations develop a collective vision for managing individual organizational resources to address mutual goals.	<u>10. Create Independent Organization</u> Two or more governments create a new organization with a distinct mission and formally defined statutory authority to provide a specific set of services.

III. FINDINGS

Based on its work over the past eight months, the Shared Services Committee submits the following findings:

a. Area local governments have a long history of shared services

For many years, local governments in the Eau Claire-Chippewa Falls metropolitan area have been successful in partnering to provide more cost-effective services. Recent intergovernmental partnerships include informal arrangements on plowing streets, written mutual aid agreements, shared facilities agreements, the Emergency Communications Center and the consolidated City/County Health Department.

b. Success builds success

The Committee believes that an important component of being successful in expanding or creating new partnerships will be building on the lessons learned locally from prior successes. Understanding why some efforts have been successful, and distilling key lessons will provide guidance on how to go forward with new efforts. For example:

- The City/County Health Department is a demonstration that new and quite unique organizational structures can be created, even if state statutes need to be revised.
- Existing snowplowing partnerships illustrate the effectiveness of informal agreements and reliance on a mutual sense of fairness and equity among participating governments.
- The arrangement for the City and Eau Claire County to share a purchasing agent demonstrates the use of formalized intergovernmental agreements, and how to move sequentially through a trial pilot project to a formal intergovernmental agreement establishing a defined level of collaboration.

c. City departments engage in multi-level shared services

Increased organizational uncertainty and anxiety often accompanies efforts to initiate efforts with other government organizations to share in the delivery of existing services. This uncertainty about the potential disruption of established ways of working tends to be heightened in times of fiscal constraints, such as the City has experienced the past several years. Nonetheless, the Committee found a steady movement within many City departments toward greater use of shared services as a departmental strategy in delivering services. Using the classification framework in Figure 2, the Department Directors identified an extensive list of existing shared services that ranged from informal sharing of information to more inter-dependent activities of sharing costs, planning collectively, and operating joint programs. A summary of the existing shared services listed by Department Directors is provided in Appendix D.

d. Visible support by elected leaders is critical

The Committee found that a critical success factor reported in many shared services studies, and common to major local successes, was visible and sustained support by elected officials and community leaders. Such support acted as a positive external motivator to initiating joint efforts, and appeared to be essential to strengthening community support for overcoming entrenched protection of “turf”. Several Department Directors noted that even broaching the possibility of intergovernmental partnerships in some operational areas would be unlikely without a clear statement of interest by elected leaders.

e. Local area governments are genuinely interested in sharing services

During the course of its study, the Shared Services Committee found a growing interest by other local governments and jurisdictions in considering intergovernmental shared services. For example, in April 2005, the Eau Claire County Board of Supervisors established a Select Committee on Restructuring County Government. The City Shared Services Committee and County Select Committee held two joint meetings and identified a mutual interest in moving forward with a pilot joint City/County effort to implement 3-5 potential shared services initiatives. At a joint meeting on February 23, the two committees recommended approval of a conceptual framework for a joint initiative and agreed to bring the proposal forward for approval by their respective governing bodies.

f. Future trends will continue demand more efficient delivery of public services

The Committee believes that major demographic, social, economic, and fiscal trends will continue to drive local governments in the direction of establishing a new equilibrium among the services expected by citizens, the services government can provide, and the service costs a community is willing to afford. Key trends include:

- Declining state shared revenues and local revenue limits
- Increasing health care costs
- Changing population lifestyles and market behavior
- Aging populations
- Increasing demands for repair and maintenance of aging public infrastructure
- Increasing technology innovations and costs, especially related to computer and wireless communication technologies
- Vulnerability to a global economy
- Increasing environmental quality concerns and remediation costs

g. A range of opportunities exist for expanded shared services

During the discussions with the Committee, Department Directors identified a range of new or expanded shared services that might be possible. These potential services were intended only as illustrations of what might be possible, and not as recommendations for implementation or even further consideration. However, the listing of potential services does provide some indication of the potential opportunities for expanded shared services that may exist. A summary of the potential services identified by staff is provided in Appendix E.

h. Success requires customized strategies

The Committee believes that success in implementing new or expanded shared services will require strategies that are tailored to address the specific challenges posed by a proposed shared service initiative. Using the shared services continuum to distinguish different levels and purposes may be a useful way to begin.

Successful shared service strategies will need to address two aspects of group process. First, careful consideration will need to be given to the process of how the City will work with other governments to initiate discussions of the concept of shared services. This initial process should emphasize relationship building, and informal and formal communication. Second, once an initiative has been identified, attention should be given to how to build specific intergovernmental partnership, with an emphasis on process facilitation, work process analysis, and finding a model process that could be repeated for subsequent efforts.

i. Shared services opportunities are fluid

While the Shared Service Committee's final report provides a snapshot of the status of the current levels of intergovernmental cooperation and shared services, it is important to remember that as a snapshot it tends to freeze in time what is in fact a very dynamic process. Shared service opportunities and obstacles are not static, but rather quite fluid, changing with the shifting availability of organizational resources, priorities, work relationships, personnel, and personalities.

j. Building successful partnerships requires time and resources

As with any new partnership, creating or expanding an intergovernmental partnership will require some degree of human and financial resources. Partnerships are developed in real time, and take time to develop successfully. Planning for potential initiatives should include up-front consideration of how to allocate the time, energy, and resources needed to start and sustain the effort.

k. Shared services must be measured and evaluated

The Committee found that an important "best practice" in intergovernmental shared services is to build into the effort clear criteria and methods for evaluating project feasibility prior to implementation. Generally, evaluation criteria should address two broad issues:

- What are the nature and the magnitude of the potential success?
- What is the likelihood of achieving success?

Draft criteria for evaluating project feasibility and impacts (drawn from the Dakota County High Performance Partnerships project) are provided in Appendix F.

IV. POSSIBLE CHALLENGES TO IMPLEMENTING SHARED SERVICES

The Committee believes that the hard reality of intergovernmental relations and traditional government organizations is that simply wishing to improve public services through partnering is not enough. Most shared services initiatives will have to overcome specific obstacles and concerns. Compiled below is a list of possible challenges compiled from other studies and the Committee's discussions with City staff and officials of area governments.

⊗ **Allocating resources to cover start up costs**

Even the initial efforts to assess the feasibility of potential shared services proposals involve real costs of time and staff resources. Project implementation may require upfront expenditures to install compatible technology, redesign work areas, standardize equipment, change procedures and policies, or adjust differing employee benefit systems. Incurring additional costs to make the change to a shared service may be especially difficult for smaller jurisdictions, or for organizations already facing staff reductions.

⊗ **Providing strong, visible support by elected and community leaders**

Forging the kind of new intergovernmental partnerships that have a measurable impact on the cost-effectiveness and quality of services is rarely accomplished without overcoming institutional or community resistance to change. Sustained positive commitment by elected policy makers is essential to carrying initiatives through to completion.

⊗ **Building mutual respect, trust, and understanding among the potential partners**

Successful and sustained intergovernmental partnerships are not possible until the potential partners establish a baseline level of mutual respect and trust. Mutual respect includes

understanding and accepting how other government organizations function. Building respect and trust takes time. Partner organizations with a history of organizational competition and conflict will require additional efforts at the beginning of the initiative to build trust, common vocabulary, and mutual expectations.

⊗ **Providing organizational leadership to reshape the organizational culture**

Building effective long-term service partnerships with other government organizations and jurisdictions requires sustained involvement by upper management, middle management, and operations in the collaborative effort. The broad organizational involvement will require a shift in the City's organizational culture to incorporate shared services strategies as part of the organization's problem-solving process. The organizational culture is that constellation of basic assumptions, beliefs, and norms that are shared by members of the organization, that define in a basic "taken-for-granted" fashion the organization's view of itself. The assumptions and beliefs are learned responses that come to be taken for granted because they reliably solve important organizational problems.

⊗ **Overcoming "turf protection" behaviors**

Departments or operating units within different government jurisdictions may resist a perceived loss of identity and control through expanded shared services partnerships. A track record of minimal or poor cooperation between local municipalities combined with a feared loss of municipal identity or autonomy may especially impede service sharing among municipalities that differ substantially in size, complexity, or function. Employee group concerns about restructuring existing employee positions or addressing differences in wage and benefit compensation of potential partners may also present barriers to shared services.

⊗ **Ensuring open and frequent communication among potential partners**

Frequent communication-both informal and formal-is essential to ensure the necessary flow and exchange of information to identify issues, clarify mutual responsibilities, and address the inevitable problems and misunderstandings that occur as the partnership is developed and implemented.

⊗ **Balancing different levels of service delivery expectations and capacities among jurisdictions**

Partnerships among government organizations that differ significantly in size, scope, and budgets have to address upfront how to reach compromises about the different standards and expectations for service delivery.

⊗ **Ensuring sufficient and timely sharing of information**

Existing regulations or statutes sometimes limit the ability of different government jurisdictions to share basic information. The existing data practices of organizations may result in format or software incompatibilities that prevent exchange of information.

⊗ **Addressing potential concerns about loss of accountability**

Individual local governments may be concerned about the reduction or loss of local accountability for programs if service delivery is shared with another jurisdiction. An additional issue may be addressing concerns of governments about how to reinstitute service delivery if the service partnership is dissolved in the future. Part of the concern may be a diminished capacity to restore service delivery in the future if an agreement to share service delivery is not successful or renewed.

V. RECOMMENDATIONS

The Shared Services Committee recommends that the City Council implement the following:

1. Establish a City Council priority of expanding intergovernmental shared services where warranted and feasible to do so.

As noted above in the Committee findings, a key element in successful organizational change is sustained support from the policy-makers and senior organizational leadership. Sustaining a long-term commitment means that the City Council should define a clear structural role for supporting and encouraging continued departmental partnership initiatives, especially for those potential partnerships that may need more visible political support in order to overcome entrenched opposition and obstacles. The key focus for the Council should be in defining an effective role as a supporter and encourager, rather than as an initiator or designer of specific shared services. Important policy questions for the Council to address will include:

- How does the Council best work in identifying and maintaining an overall sense of direction and vision of shared services?
- How does the Council encourage and collaborate with elected officials of other jurisdictions?
- How does the Council best serve as a convener of efforts to look at more complex shared service efforts?
- How does the Council help reinforce an organizational culture that promotes intergovernmental partnerships and collaboration?

2. Establish a policy of doing business as an organization in a way that builds effective long-term working relationships with other government organizations and jurisdictions.

Another key to future success in expanded shared services will be keeping a deliberate organizational focus on building intergovernmental relationships through regular meetings, regular communications, and joint work in public settings. The long-term relationship between the City and other governments and jurisdictions should be viewed as important as success on any given issue. For example, an effective strategy for strengthening intergovernmental relationships would be to move away from a “win-lose” perspective, and toward a “win-win or no deal” approach, which places the importance of a positive long-term work relationship above short term gains. With a win-win or no deal approach, neither party would be willing to accept a decision that wasn’t right for all parties.

Institutionalizing this perspective will take time and will entail a change in the City’s organizational culture. In effect, shared services needs to be recognized and demonstrated as a useful tool on the organization’s standard problem-solving tool belt. This recognition, however, should be accompanied by the awareness that, while an important tool, shared services is not the only tool, and the temptation to look for things to pound just because a new hammer is available should be resisted.

3. Continue the Shared Services Committee through March 2008.

The Committee found both specific opportunities and genuine interest by other governments in pursuing expanded intergovernmental partnerships. The Committee believes it will be important to maintain a City Council policy focus on working to build those relationships. Consequently, the Committee believes that a Council advisory committee on shared services should be extended through March 2008, with annual reports due in both March 2007 and March 2008, as well as regular progress reports to the City Council.

Key future tasks for the Committee include:

- Work with the proposed Joint Commission on Shared Services Initiatives;
- Pursue discussions regarding potential shared services with the elected officials and representatives of the City of Altoona, the Eau Claire Area School District, adjacent towns, and other municipal and county jurisdictions;
- Assess key obstacles to City shared services initiatives and identify potential strategies to address them;
- Review and refine project feasibility evaluation criteria.

4. Establish in conjunction with Eau Claire County a Joint Commission on Shared Services Initiatives.

Perhaps the greatest potential for future shared services that can have a measurable impact on the effectiveness, quality, and costs of delivering City public services lies in partnerships with Eau Claire County. Towards that end the shared services study committees of both the City and Eau Claire County recommend that a Joint Commission on Shared Services Initiatives be established. The purpose of the Joint Commission will be:

To identify and examine potential City-County shared services opportunities and to make recommendations to the Eau Claire City Council and the Eau Claire County Board of Supervisors for approval of concepts and strategies for implementing those shared services that increase efficiency, improve quality, or reduce costs in the delivery of public services, without sacrificing public accountability.

The Joint Commission would include 3 representatives from both the City and County, each drawn from the respective shared services committee of each government. The Joint Commission would identify a limited number of 3-5 shared services initiatives for review and implementation. The Joint Commission would meet monthly to monitor progress, ensure accountability, provide political will and support, and provide regular reports to the full elected bodies. The County Administrator and City Manager would collaborate in providing staff support to the commission, bringing forward staff recommendations regarding the individual initiatives, and coordinating the allocation of resources.

A more detailed description of the Joint Commission framework, initial decision criteria, list of ten potential initiatives, and an illustration of the proposed process are provided in Appendix G.

APPENDICES

- A. City Council Resolution Creating Shared Services Committee**
- B. Shared Services Committee Meeting Schedule**
- C. Related Shared Services Studies**
- D. Summary of Existing City Shared Services Strategies**
- E. Summary of Potential City Shared Services Strategies**
- F. Draft Project Feasibility Criteria**
- G. Framework for Joint Commission on Shared Services Initiatives**
- H. Joint Commission on Shared Services Initiatives Process**

Appendix A

RESOLUTION

RESOLUTION CREATING A CITY COUNCIL COMMITTEE TO ASSESS THE OPPORTUNITIES FOR EXPANDED SHARED SERVICES AND CONSOLIDATION AMONG AREA LOCAL GOVERNMENTS

WHEREAS, throughout the country, state government's built-in patterns of budgetary responsibilities and expenditures have continued to grow more rapidly than state revenues and the public sector has entered an era of perpetual fiscal crisis; and

WHEREAS, major demographic, social, economic, and fiscal trends are reshaping the political and institutional landscape of local government in Wisconsin and are creating a permanent imbalance of expectations, services, and revenues that can only be corrected by establishing a new equilibrium among the services expected by citizens, the services government can provide, and the service costs a community is willing to afford; and

WHEREAS, the imbalance of expectations, services, and resources is unlikely to be resolved by future increases in local tax revenues, by increased state or federal revenues, by a growing economy, or by working harder or faster at doing the same things the same way; and

WHEREAS, the continued long-term population and economic growth of the Eau Claire-Chippewa Falls metropolitan area will increase the need for coordinated cost-effective public services in the growing metropolitan area; and

WHEREAS, in the future, local government will be compelled to consider substantive changes to their own organizational structure as well as to their patterns of relationships with other jurisdictions, and to realign organizational structures to provide a much greater level of intergovernmental cooperation, shared services, and consolidation; and

WHEREAS, building on its long history of intergovernmental collaboration, the City of Eau Claire should identify and pursue deliberate long-term strategies to engage both citizens and public officials in a genuine and informed discussion of the issues, obstacles, and opportunities of shared services and consolidation; to move the City of Eau Claire and area jurisdictions in the direction of finding a new and sustainable balance of services and costs; and to forge expanded intergovernmental partnerships that reduce tensions, increase government productivity, reduce duplication and overlap of government services, enhance economic growth, and stabilize taxes.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Eau Claire that an Eau Claire City Council Shared Services Committee is created for the purpose of studying the services provided by City of Eau Claire, assessing the short and long-term opportunities for shared services and service consolidation among area local governments and organizations, and identifying the service areas where the City may have the greatest opportunity for service sharing arrangements with other government organizations.

BE IT FURTHER RESOLVED that the Shared Services Committee's study of services will include:

- A review of shared service initiatives of comparable communities;
- Discussion with City Department Directors of shared service opportunities;
- Discussion with elected officials and designated representatives of area governments regarding their interest in shared service arrangements with the City of Eau Claire;
- An assessment of the overall opportunities and obstacles to expanded shared services; and
- Recommendations to the City Council for implementing a long-term shared services strategy, including the recommended organizational structure for the City Council's role.

BE IT FURTHER RESOLVED that the City Council President shall appoint three members of the City Council to serve as the committee and shall designate a member to serve as chair of the committee;

BE IT FURTHER RESOLVED that the committee shall be dissolved as of March 1, 2006 unless the City Council determines that the committee continue.

Adopted,

June 28, 2005

Motion to adopt the resolution.

Dallas Neville

Seconded by:

Thomas Vue

APPENDIX B
SHARED SERVICES COMMITTEE
MEETING SCHEDULE

<u>Meeting Date</u>	<u>Meeting Purpose</u>
July 8, 2005	Initial meeting
July 29	Discussion of shared services among local governments
August 12	Introduction of tables categorizing types of shared services
August 26	Discussion of questions for Department Directors
September 8	Format of Meeting with Department Directors
September 9	Meeting with Directors of Human Resources and Finance
September 16	Discussion of format of Interim Report #1
September 30	Discussion with Public Works Director
October 14	Discussion with Police Chief
October 28	Discussion with Parks & Recreation Director and I S Manager
November 11	Discussion with Fire Chief
December 2	Discussion with Directors of Health Department and Library
December 16	Discussion of potential of shared services with Eau Claire County
January 5, 2006	Discussion of potential shared services related to Community Development Department and Format of Interim Report #2
January 13	Discussion of format of Interim Report #2
January 26	Joint Meeting with Eau Claire County Select Committee on Restructuring County Services
January 27	Discussion of results of Joint Meeting with County Committee and format of Final Report
February 3	Discussion of potential of working with Eau Claire County to encourage expanded shared services and format of the Final Report
February 10	Same as above
February 17	Same as above
February 22	Discussion of potential projects for proposed Joint Commission and format of Final Report
February 23	Joint Meeting with Eau Claire County Select Committee on Restructuring County Services
March 3	Discussion of Final Report
March 6	Discussion of Final Report
TOTAL # OF MEETINGS	24 Meetings
TOTAL # OF HOURS SPENT IN MEETINGS	Approximately 46 Hours

Appendix C. Related Shared Services Studies

❑ **University of Wisconsin-Extension Report: Alternatives for the Delivery of Government Services**

April 2001 study of alternative approaches to providing public services. The report identifies potential impacts of intergovernmental agreements on service delivery, outlines steps in successful intergovernmental service delivery projects, and summarizes key Wisconsin statutes for cities, towns, and counties regarding intergovernmental cooperation.

❑ **Minnesota State Auditor's Report on the Best Practices Review on Cooperative Efforts in Public Service Delivery**

December 2004 study prepared by the Minnesota State Auditor intended as a guidebook for local government officials in Minnesota for fostering and implementing intergovernmental cooperative agreements. The study includes a literature review of intergovernmental cooperation studies and a compilation of the best practices of over 1600 shared services examples from Minnesota municipalities.

❑ **Dakota County (Minnesota) High Performance Partnerships Final Report**

July 2004 report on a study commissioned by the Dakota County Board of Commissioners and local cities. The study focused on identifying potential ways for cities and county government to form partnerships to provide better services for citizens at lower costs. The study evaluated 20 potential shared services projects, identified evaluation criteria and an assessment scorecard, and selected 6 projects for implementation.

❑ **Amherst H. Wilder Foundation, Collaboration: What Makes It Work (2nd edition)**

This 2004 publication summarized existing research literature on collaboration drawn from education, government, and non-profit organizations and distilled a list of 20 factors influencing the success of collaborative efforts. The report distinguishes cooperation, coordination, and collaboration and provides a collaboration factors inventory to assist groups in planning for collaborative efforts.

❑ **Public Strategies Group report on Shared Services in the Chippewa Valley: Exploring Opportunities for Intergovernmental Collaboration**

In April 2002, Eau Claire area local governments met at UWEC to discuss the potential impacts of the loss of shared revenue. Following that initial meeting, seven local jurisdictions including three cities, two counties, a town, and a school district funded a consultant assessment of local potential for shared services. Completed in May 2003, the study reported an extensive history of shared services and called for an ongoing effort to promote shared services and collaboration.

❑ **Final Report of the Governor's Blue-Ribbon Commission on State-Local Partnerships for the 21st Century (Kettl Commission Report)**

January 2001 report of the Kettl Commission about issues and opportunities in Wisconsin to reshape the local government landscape and build stronger, more effective intergovernmental partnerships. A key thrust of the report was the need to build more effective collaboration among local government. The report suggests the goals of effective partnerships should be to: (1) reduce taxes; (2) increase government's productivity; (3) reduce duplication and overlap; (4) enhance economic growth; and (5) stabilize taxes.

❑ **County-Wide Police Study Committee Report**

Also in 2003 a joint City-County study committee looked at the feasibility of a countywide police consolidation. The study identified several statutory and organizational obstacles to a complete consolidation, but did identify potential shared services opportunities in operating a shared shooting range, combining civilian operations, developing consistent training programs, and establishing consistent emergency equipment standards.

Appendix D. SUMMARY OF EXISTING CITY SHARED SERVICES STRATEGIES

Cooperating	Coordinating	Collaborating	Consolidating
Contribute Resources	Reconcile Program Activities	Create Shared Structure	Combine Organizations
<ul style="list-style-type: none"> • Fire prevention education • Fire training • I S Training • Evidence technician training • Law enforcement training • Crime task force • Youth Coalition • Crime prevention • Business marketing • Mutual aid agreements 	<ul style="list-style-type: none"> • City/school recreation programs • Joint use of public buildings 	<ul style="list-style-type: none"> • Emergency Comm. Center • CV Incubation Center • Momentum CV 	
Promote Other Organizations	Share Costs	Operate Joint Program	Adjust Boundaries
<ul style="list-style-type: none"> • Recreational programs & facilities • Citizen service information 	<ul style="list-style-type: none"> • Tax collections • Business licensing • Online access to deeds/property transactions • Online access to assessments • City/County Purchasing • Joint Fire Campus • Animal shelter contract • Polygraph • County wide library serv. • Co High. Dept. contracts 	<ul style="list-style-type: none"> • Group Purchasing Coop • Safety training • Fire recruitment • Public safety software • West Central Drug Task Force • City/School police liaison 	<ul style="list-style-type: none"> • Annexations • Municipal incorporations
Share Information	Produce Joint Efforts	Plan Collectively	Create Independent Organizations
<ul style="list-style-type: none"> • Sale, property, valuation information • Labor negotiations • Emergency planning • Recreational facilities • Development review • Comp Planning 	<ul style="list-style-type: none"> • Elections • Employee Training • Fiber network • Wireless network • Phone System • Special event traffic control • Property code enforcement • Business recruitment • Snow plowing maint. • Joint stormwater permit 	<ul style="list-style-type: none"> • Health care purchase • EC County EMS Council • Chip. Internetworking Consortium (CINC) • PSG Shared Services study • Regional tactical response • Records management • MPO transportation plng. • Courthouse space needs study. 	<ul style="list-style-type: none"> • Process claims • City/County Health Dept. • Visitors Bureau • EDC

Appendix E. SUMMARY OF POTENTIAL CITY SHARED SERVICES STRATEGIES

Cooperating	Coordinating	Collaborating	Consolidating
Contribute Resources	Reconcile Program Activities	Create Shared Structure	Combine Organizations
		<ul style="list-style-type: none"> Joint services agency for police support services 	<ul style="list-style-type: none"> Regional park district Combine City/County police agency City/Altoona metro police department City/County planning department
Promote Other Organizations	Share Costs	Operate Joint Program	Adjust Boundaries
	<ul style="list-style-type: none"> Shared assessment services Fire Inspections w/Altoona Tax, payroll, financial systems Web site/Internet access Email system Shared City/County rooms & space City/County shooting range Building plan exams 	<ul style="list-style-type: none"> Elections Utility billing Shared assessment services Process claims Regional EMS Web content mgmt system YMCA/City program partnership Building inspections Development review 	<ul style="list-style-type: none"> Cooperative boundary plan agreements
Share Information	Produce Joint Efforts	Plan Collectively	Create Independent Organizations
<ul style="list-style-type: none"> Integrated assessment/tax database Employee Recruitment Employee training 	<ul style="list-style-type: none"> Employee training Auction (property disposal) Emergency planning Tri City sports initiatives 	<ul style="list-style-type: none"> Treasury services Recruitment EC County EMS Wireless access Zoning code standards Parks planning Comprehensive planning 	<ul style="list-style-type: none"> Employee benefits (health insurance)

Appendix F. DRAFT PROJECT FEASIBILITY CRITERIA

(Draft Criteria for determining whether to implement a project)

Each potential partnership would be rated for each of the shaded criteria, with a letter grade assigned for each criteria. The letter grade would be converted into a numerical score as follows: A=4, B=3, C=2, D=1, E=0. The numerical score would be multiplied by the weight to derive a weighted score for each criterion. For example, an "A" (4 points) on a criterion weighted at 5% (.05), equals $4 \times .05 = .2$ **rating points**. The total points available for each potential partnership project would be **4**

I. What is the nature and the magnitude of the potential success? How significant are any anticipated cost savings? How substantial is any anticipated improvement in the quality of service? (Wt=50%)

1. Quality of Service: To what degree will the partnership improve the quality of service?	(Wt= 20%)	
a. Effectiveness: better outcomes for those who receive the service	A. Significantly better outcomes B. Somewhat better outcomes C. Maintain the existing level D. Somewhat reduced outcomes E. Significant reduction in outcomes	5%
b. Customer service: more responsive service to citizens perceived needs	A. Significantly more responsive B. Somewhat more responsive C. Maintain the existing level D. Somewhat less responsive E. Significantly less responsive	5%
c. Service coordination: better coordinated and seamless service among partner agencies	A. Significantly better coordination B. Somewhat better coordination C. Maintain the existing level D. Somewhat reduced coordination E. Significantly reduced coordination	5%
d. Accessibility: Improved service responsiveness and availability to those who need it	A. Significantly better accessibility B. Somewhat better accessibility C. Maintain the existing level D. Somewhat reduce accessibility E. Significantly reduce accessibility	5%
2. Cost of Service: To what degree will the partnership result in reduced service costs?	Wt= 20%	
a. Reduced total costs: Service delivered at lower total cost	A. Significantly reduced total costs B. Somewhat reduced total costs C. Maintain current total costs D. Somewhat increased total costs E. Significantly increased total costs	5%
b. Efficiency: Reduced cost per customer or transaction	A. Significantly reduced cost per transaction B. Somewhat reduced cost per transaction C. No reduction in cost per transaction D. Somewhat increased cost per transaction E. Significantly increased cost per transaction	5%
c. More with less: Provide high service quality despite funding reductions	A. Significantly higher quality of service with reduced funding B. Somewhat higher quality of service with reduced funding C. Same quality of service with reduced funding D. Somewhat lower quality of service with reduced funding E. Significantly lower quality of service with reduced funding	5%

d. Reduced risk: Reduction in exposure to financial and other risks	A. Significantly reduced risk exposure B. Somewhat reduced risk exposure C. Maintain the same level of risk exposure D. Somewhat increased risk exposure E. Significantly increased risk exposure	5%
3. Qualitative advantages: To what degree will the partnership result in significant indirect benefits?	Wt= 10%	
a. Skills/expertise: Opportunities for improving service skills and/or knowledge	A. Significantly greater opportunities B. Somewhat greater opportunities C. Maintain the same level of opportunities D. Somewhat fewer opportunities E. Significantly fewer opportunities	5%
b. Relationships: Opportunities to build partner relationships	A. Significantly greater opportunities B. Somewhat greater opportunities C. Maintain the same level of opportunities D. Somewhat fewer opportunities E. Significantly fewer opportunities	5%
c. Innovation: Promotes a culture of service innovation	A. Significantly promotes innovation culture B. Somewhat promotes innovation culture C. No impact on innovation culture D. Somewhat reduces innovation culture E. Significantly reduces innovation culture	
II. What is the likelihood of achieving success? How difficult will it be for the partnership to overcome obstacles and barriers to success? Wt= 50%		
4. Short-term Manageability: How difficult will the partnership be to implement and manage for the initial 1-3 years?	Wt= 15%	
	A. Easy and not very costly to do B. Somewhat easy and/or costly C. Significant complexity or costs, but not both D. Significant complexity and costs E. Extremely complex and/or costly	
a. Management Needs: management resources needed to create and initially manage partnership	A. Significantly reduced management for service B. Somewhat reduced management for service C. No change in management resources D. Somewhat increased management for service E. Significantly increased management for service	
b. Expertise: Potential partners have necessary experience and expertise	A. Partners have all necessary experience and expertise B. Partners have most of the necessary experience and expertise C. Partners have the minimum experience/expertise required D. Partners need some additional experience/expertise to initiate the partnership E. Partners need significant additional experience/expertise to initiate the partnership	

c. Leadership: Necessary leadership skill and capacity is available	A. Partners have all needed leadership skills B. Partners have most of the needed leadership skills C. Partners have the minimum leadership skills needed D. Partners need some additional leadership skills/capacity to initiate the partnership E. Partners need significant additional leadership skills/capacity to initiate the partnership	
d. Service Expectations: Compatibility of service standards/expectations of potential partners	A. Service expectations are highly compatible B. Service expectations are generally compatible C. Service expectations D.	
5. Long-term Manageability: How difficult will the partnership be to manage and sustain partner commitments after start-up and first year of operation?	Wt= 15%	
	A. Easy to manage longer-term and local governments retain flexibility B. Easy to manage longer-term OR local governments retain flexibility C. Some management complexity OR local governments lose some flexibility D. Some management complexity and local governments lose some flexibility E. Significant management complexity and local governments lose some flexibility	
a. Timing: Length of time for benefits to be realized		
b. Flexibility: Flexibility of partnerships structure to adjust to changing service needs and partner commitments		
c. Accountability/Control: Alignment and clarity of structural accountability for partnership outcomes		
6. Political Feasibility and Support: To what extent will the partnership be consistent with community values and be supported by political and civic leadership?	Wt= 20%	
a. Community Support: Probable support among the general public	A. Significant support, and no known opposition B. Some support, no known opposition, but similar efforts elsewhere have generated opposition C. Some support, but some concerns or opposition expressed D. Either a lack of support or demand, or definite opposition E. Lack of support or demand and definite opposition	10%

b. Institutional Support: Probably support among government officials and employees	A. Significant support, and no known opposition B. Some support, no known opposition, but similar efforts elsewhere have generated opposition C. Some support, but some concerns or opposition expressed D. Either a lack of support or demand, or definite opposition E. Lack of support or demand and definite opposition	10%
c. Local Control: Extent the partnership maintains local control over a core government service		
d. Accountability: Extent partnership maintains clear lines of service accountability		
e. Innovation: Degree of service innovation		
f. Partnership Intensity: Extent the required intensity of partnership is agreeable to potential partners		

Appendix G

Framework for Joint Commission on Shared Services Initiatives

(Eau Claire County/City of Eau Claire, February 23, 2006)

□ Purpose Statement

The purpose of the Joint Commission is to identify and examine potential City-County shared services opportunities and to make recommendations to the Eau Claire City Council and the Eau Claire County Board of Supervisors for approval of concepts and strategies for implementing those shared services that increase efficiency, improve quality, or reduce costs in the delivery of public services, without sacrificing public accountability.

□ Joint Commission Structure

- Recommended organizational process illustrated in attached diagram dated 2-23-06
- Joint Commission members are drawn from the County Board Select Committee and City Council Shared Services Committees respectively
- Joint Commission selects City and County representatives to serve as co-chairs
- Joint Commission asks County Administrator and City Manager for joint recommendations regarding the feasibility and implementation of potential shared service initiatives
- Joint Commission would generally meet on a monthly basis
- County Administrator and City Manager exercise administrative discretion in how best to bring forward recommendations on feasibility and implementation
- County Administrator and City Manager coordinate and direct allocation of staff resources
- County Administrator and City Manager work jointly to provide administrative and staff support

□ Joint Commission Responsibilities

- Monitor progress and ensure accountability for the shared services initiatives
- Provide political will/support for shared services initiatives
- Provide reports to respective elected bodies
- Selecting shared services initiatives for consideration
- Assess potential for future shared services initiatives
- Evaluate overall effectiveness of shared services initiatives as a pilot effort
- Refine and approve evaluation criteria for project feasibility and implementation
- Review joint organizational strategies and policies for implementing shared services initiatives
- Address key political and legal obstacles to implementing initiatives
- Provide an opportunity for public discussion of shared service issues and initiatives

❑ **Time Lines**

- **March 2006:** Presentation of County and City committee reports
- **March 2006** Action by County Board and City Council on committee recommendations
- **April/May 2006:** County Board and City Council approval of Joint Commission appointments
- **May/June 2006:** Initial meeting of Joint Commission
- **October 2006:** Interim Progress Report by Joint Commission
- **March 2007:** Overall Evaluation Report to County Board and City Council
(Specific project implementation recommendations will come forward as ready)

❑ **Decision Criteria for Selecting Joint Commission Initiatives**

- What is the likely impact of the initiative on building more effective future work relationships between the City and County?
- What is the likelihood that the initiative could be successfully implemented?
- What is the potential of the proposed initiative having a significant positive impact on expanding shared service partnerships in other service areas?
- To what extent is the primary focus of the proposed initiative on direct City/County organizational relationships?
- To what extent will the proposed initiative need a significant degree of visible political support from elected officials in order to be successful?
- To what extent will the key staff involved in a proposed initiative also be significantly involved in other shared service initiatives?
- What is the potential for the proposed initiative to have a significant impact on the effectiveness, quality, and costs of service delivery?

❑ **Initial List of Potential Shared Services Initiatives for Consideration**

- **What should the City and County do to implement new or expanded shared services:**
 1. Between the Sheriff's Office and Eau Claire Police Department?
 2. For building code inspections with Eau Claire County?
 3. For the provision of E-government and government web site services?
 4. For human resource administrative procedures, training, and risk management?
 5. For elections?
 6. For the provision of City and County park services?
 7. For land management records?
 8. Regarding highway maintenance and jurisdictional transfers?
 9. Regarding the provision of planning and development services?
 10. For the provision of employee health insurance and benefits?

APPENDIX H

JOINT COMMISSION ON SHARED SERVICES INITIATIVES PROCESS (February 23, 2006)

